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don't have to pay it because that is what the retained dividends do. They build that up, see, and so I think, Senator Burbach, you have got something that you want here and it is going to be all right. It is not going to hurt the people any but it is going to hinder the co-op in competition with your elevator because he is going to have to pay an income tax now and then his dividends come out after that. And also, a co-op will pay less dividends on a \$100,000 or \$200,000 than a private individual will. You can't deny that. You know that to be a fact. That is all I have to say. I certainly will not support his amendment.

PRESIDENT: Senator Burrows.

SENATOR BURROWS: Mr. President, members of the Legislature, I had pledged my support to LB 382. I still keep my support on the basic principles of it. I would support it without the Burbach amendment because it does alleviate the double taxation without it but the Burbach amendment will make it a much better bill. I have one example that I would like to give that I think might tie up the real unjust situation that exists in this taxation beyond that of double taxation. Some co-ops do not return over 20% of the dividend to the farmer. He may be obligated for a tax bill more than that cash money he gets. So instead of getting really money at the end of the year, he gets a tax bill out of that \$100 deal of \$25.00 when he only gets \$20 back. The Burbach amendment will have the farmer pay on the money he gets back. The co-op will pay on the money they retain. There is one set of payment on this. It is divided. It is fair to the farmer. It is fair to the co-op. It stops the double taxation. If the Burbach amendment is not introduced, the farmer will be paying in many instances, in some of these co-ops that are returning a small amount, more in tax bill than he gets in cash dollars. The farmers want to see a fair deal, I am sure. They may be confused from information that they will get as is spread across the state, but if you explain what you are doing for them, I am sure everyone of the farmers will support the Burbach amendment. Some of the co-op managers will not. This is the issue. But this is an amendment that is looking out for the farmer patrons across this state. Thank you.

PRESIDENT: Senator Koch.

SENATOR KOCH: I have a question of Senator Dickinson. I want to give Senator Dickinson an opportunity to speak, also, but this is a question. Looking at the fiscal note, it looks as though the state will lose a revenue of \$300,000 and some odd dollars. Now how do they recover this, by placing most of the burden upon the patron and excluding the corporation from any tax or the co-op?

SENATOR DICKINSON: It is \$345,000, if that is what it, in fact, is, Senator Koch, will be replaced through other state taxes. I think we would be less than honest to say anything else. It is not going to be replaced by the co-op or by the patrons. It is a double taxation, and by removing a double taxation, the state is going to lose a